

# U.S. Customs and Border Protection (USCBP) Sector Station

396 N Camino Mercado | Casa Grande, AZ 85122

Offering Memorandum



# Disclaimer

Colliers International Brokerage Company (“Broker”) has been retained as the exclusive advisor and broker for this offering.

This Offering Memorandum has been prepared by Broker for use by a limited number of parties and does not purport to provide a necessarily accurate summary of the Property or any of the documents related thereto, nor does it purport to be all-inclusive or to contain all of the information which prospective Buyers may need or desire. All projections have been developed by Broker and designated sources and are based upon assumptions relating to the general economy, competition, and other factors beyond the control of the Seller and therefore are subject to variation. No representation is made by Broker or the Seller as to the accuracy or completeness of the information contained herein, and nothing contained herein shall be relied on as a promise or representation as to the future performance of the Property. Although the information contained herein is believed to be correct, the Seller and its employees disclaim any responsibility for inaccuracies and expect prospective purchasers to exercise independent due diligence in verifying all such information. Further, Broker, the Seller and its employees disclaim any and all liability for representations and warranties, expressed and implied, contained in or omitted from the Offering Memorandum or any other written or oral communication transmitted or made available to the Buyer. The Offering Memorandum does not constitute a representation that there has been no change in the business or affairs of the Property or the Owner since the date of preparation of the Offering Memorandum. Analysis and verification of the information contained in the Offering Memorandum are solely the responsibility of the prospective Buyer. Additional information and an opportunity to inspect the Property will be made available upon written request to interested and qualified prospective Buyers.

By accepting the Offering Memorandum, you agree to indemnify, defend, protect and hold Seller and Broker and any affiliate of Seller or Broker harmless from and against any and all claims, damages, demands, liabilities, losses, costs or expenses (including reasonable attorney’s fees, collectively “Claims”) arising, directly or indirectly from any actions or omissions of Buyer, its employees, officers, directors or agents.

Buyer shall indemnify and hold Seller and Broker harmless from and against any claims, causes of action or liabilities, including, without limitation, reasonable attorney’s fees and court costs which may be incurred with respect to any claims for other real estate commissions, broker’s fees or finder’s fees in relation to or in connection with the Property to the extent claimed, through or under Seller.

The Seller and Broker each expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers regarding the Property and/or to terminate discussions with any entity at any time with or without notice. The Seller shall have no legal commitment or obligations to any entity reviewing the Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller and its legal counsel, and any conditions to the Seller’s obligation thereunder have been satisfied or waived.

The Offering Memorandum and the contents, except such information which is a matter of public record or is provided in sources available to the public, are of a confidential nature. By accepting the Offering Memorandum, you agree that you will hold and treat it in the strictest confidence, that you will not photocopy or duplicate it, that you will not disclose the Offering Memorandum or any of the contents to any other entity (except to outside advisors retained by you, if necessary, for your determination of whether or not to make an offer and from whom you have obtained an agreement of confidentiality) without prior written authorization of the Seller or Broker, and that you will not use the Offering Memorandum or any of the contents in any fashion or manner detrimental to the interest of the Seller or Broker.

No employee of seller or at the Subject Property is to be contacted without the written approval of the listing agents and doing so would be a violation of this confidentiality agreement.

Broker has created cash flow projections for the Property using Argus Financial Software. Neither Broker nor the Seller make any representation, warranty or guaranty of the economic value of the Property through the cash flow projections contained in this Offering or the associated Argus computer files.

Broker and their prospective buyers agree not to contact the tenants, their employees or customers of any business on the Property without prior permission from the Landlord.



**U.S. Customs and Border Protection (USCBP)  
Sector Station**

396 N Camino Mercado | Casa Grande, AZ 85122



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# Investment Overview

This U.S. Customs and Border Protection office is located at 396 North Camino Mercado in Casa Grande, Arizona. The 18,520-square foot building was constructed in 1999 and is situated on 3.33 acres of land. The property is 100 percent leased to the GSA (U.S. Customs and Border Protection), with a recently renewed 15-year lease term commencing in May 2024.

GSA secures the buildings, products, services, technology and other workplace essentials federal agencies need. Thirteen thousand GSA associates support more than one million federal workers located in 8,000 government-owned and leased buildings in 2,000 U.S. communities and overseas. The CBP is headquartered in Washington, D.C., with a staff of more than 60,000 employees. CBP is the largest law enforcement agency within the Department of Homeland Security. There are 20 field operations offices in the United States that provide centralized management oversight and operational assistance to 327 U.S. ports of entry and 15 preclearance offices.

Casa Grande is a city in Pinal County, approximately halfway between Phoenix and Tucson in Arizona, but still considered part of the Phoenix MSA. According to the 2010 census, the population of the city is 48,571, with the greater Phoenix MSA totaling more than 4,700,000. It is named after the Casa Grande Ruins National Monument, which is actually located in Coolidge. Casa Grande is strategically located at the intersection of two interstate highways (I-8 and I-10) in an area known as Arizona's Golden Corridor. Once dependent on agriculture and mining, the community has evolved into a diversified full-service area with manufacturing, retail trade, government and tourist-related employment. All of Pinal County is a designated Enterprise Zone.

## Investment Highlights



U.S. Government-Backed Lease



Standard & Poor's 500 Index - Rated AA+



15-year Firm Term Lease Renewal



U.S. Customs & Border Protection in Operation at this Location Since May 1999



Located Within the Phoenix Metropolitan Area (12th Largest in U.S.)



Well Positioned Between the Cities of Phoenix and Tucson



Newly replaced HVAC System Currently Under Warranty



Strategically Placed Near the Gila River Indian Reservation

# Property Overview

## Investment Overview



## U.S. Customs and Border Protection (USCBP) Sector Station

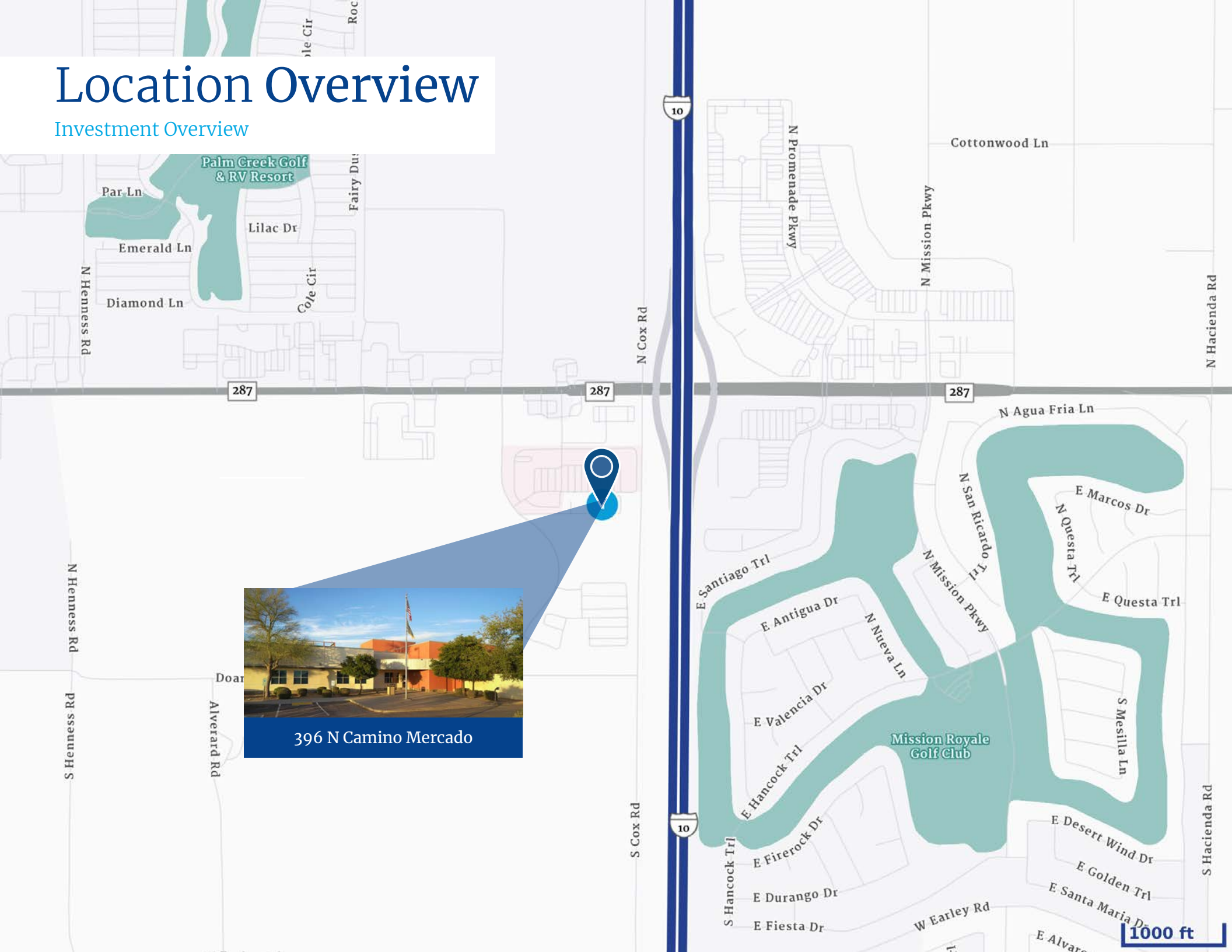
### Property Summary

Property Address	396 N Camino Mercado Casa Grande, AZ 85122-5760
Rentable Square Feet (RSF)	18,520
Lot Size (Acres)	3.34
FAR	0.13
Year Built/Renovated	1999
Building Class	B
County	Pinal
APN	505-26-004H
Zoning	Commercial (NEC)
Property Use	Office/Industrial
Parking Spaces	103 Total Parking Spaces   65 Carport Spaces   1 Commercial Garage Door from Building
Construction Type	Painted Concrete Masonry Unit (CMU)   Slab-on-Grade Foundation
Property Features	CMU and wrought iron fence   24/7 Security System Monitoring
Ownership Type	Fee Simple



# Location Overview

## Investment Overview



396 N Camino Mercado

# Phoenix Metro Area

## Investment Overview

The Phoenix metro is often referred to as the Valley of the Sun and consists of Maricopa and Pinal counties. The region is hemmed in by mountains to the north and east. American Indian reservations to the east and south limit development in those directions, leaving the southeastern corridor and western half of the metro as the primary growth areas. The most populous city is Phoenix, which encompasses about 520 square miles, and the capital city boasts a population of nearly 1.6 million. Interstate 10 is a major trucking route directly connecting the region to Southern California, which is supporting a growing distribution industry. Various rail and air lines connect the metro to cities around the world.



### Employment Growth

Job gains will increase faster than the national rate during the next five years, drawing new residents to the metro.



### High-Tech Manufacturing Base

Intel Corp., Motorola Inc., Honeywell and others have large Phoenix operations, attracting additional companies serving these corporations.



### Active Tourism Industry

Warm winters and amenities including golf courses and resorts draw vacationers.



## Major Area Employers

- Banner Health
- JP Morgan Chase & Co.
- Arizona State University
- Wells Fargo
- Intel Corp.
- Mayo Clinic Hospital
- Arizona Public Service
- American Airlines
- Bank of America
- American Express



# Tenant Overview

## Investment Overview



## *U.S. Customs and Border Protection (USCBP) Sector Station*

U.S. Customs and Border Protection (CBP) is a federal law enforcement agency of the United States Department of Homeland Security charged with regulating and facilitating international trade, collecting import duties, and enforcing U.S. regulations including trade, customs, and immigration. CBP is the largest law enforcement agency in the United States. It has a workforce of more than 60,000 sworn federal agents and officers.

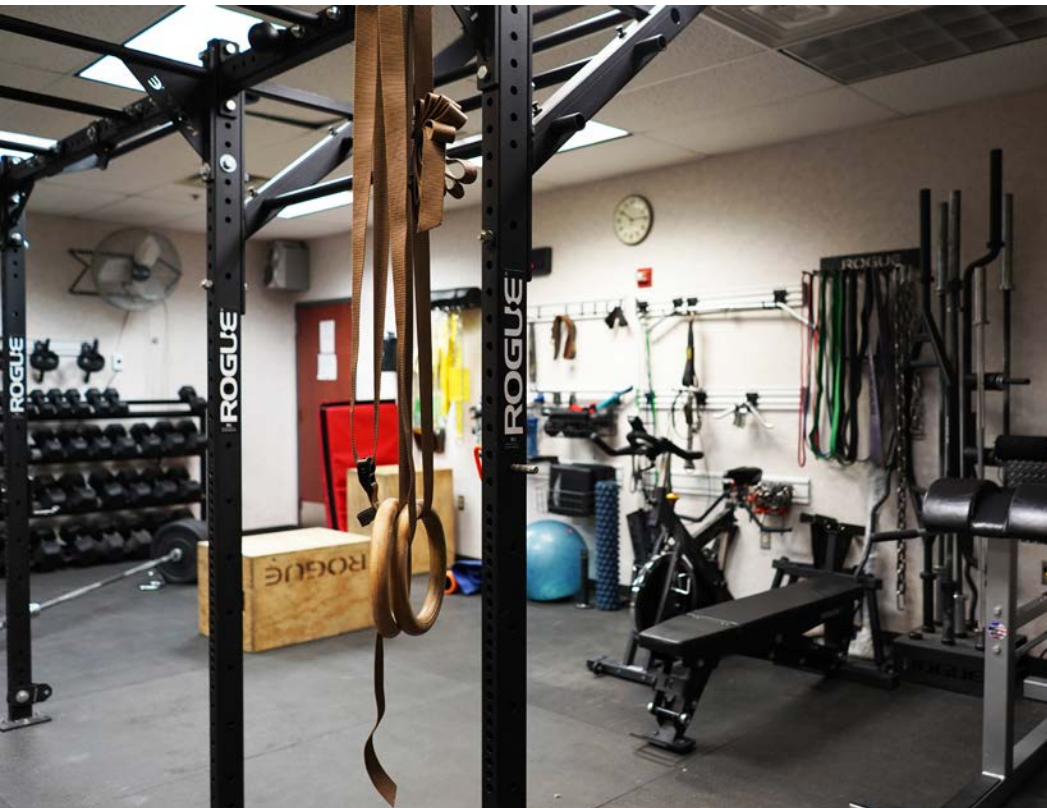
The Casa Grande Border Patrol Station was established in 1926. Initially, the station was staffed with three agents. The agents primarily worked farm and ranch check and they patrolled the area of the Santa Cruz River. The current Casa Grande Station building was built in 1997.

The Casa Grande Station is responsible for 31.34 miles of linear border. Most of the station's primary area of responsibility (AOR) is remote with limited access roads and is often inaccessible during inclement weather. All of the station's border responsibility and the primary area patrolled by Casa Grande agents is contained within the Tohono O'odham Nation.

Due to the harsh desert terrain and lack of improved infrastructure throughout much of the Casa Grande Station's AOR, there are numerous logistical challenges posed to Casa Grande agents in addition to long duty hours. Through the Casa Grande Station's increased use of technology, actionable intelligence and the development of a rapid response and resolve capability, there has been a measurable impact on reducing risk within the border environment. These efforts have made this portion of Arizona a less desirable area for Transnational Criminal Organizations to operate.

# Property Photography

Investment Overview



# Lease Abstract

## Investment Overview



### U.S. Customs and Border Protection (USCBP) Sector Station

Lease Type	Modified Gross
Rentable Square Feet (RSF)	18,520
ANSI/BOMA Occupant Area (ABOA) Square Feet	18,428
% Share of SF <sup>[1]</sup>	100%
Lease Commencement	5/15/2024
Lease Expiration	5/14/2039
Lease Total Term	15.00
Lease Firm Term	15.00

#### Note

- [1] Tax base to be established after first full Year of occupancy.

Real Estate Taxes	The Government shall pay its share of any increases and shall receive its share of any decreases in the Real Estate Taxes for the Property, such share of Increases or decreases to be referred as a tax adjustment based on an established tax base.
Operating Expense	Government shall pay annual incremental adjusted rent for changes in costs for cleaning services, supplies, materials, maintenance, trash removal, landscaping, water, sewer charges, heating, electricity, and certain administrative expenses attributable to occupancy over its initial operating expense rent amount.
Shell Rental Rate/SF	\$28.97
Operating Expense Rent/SF	\$19.48
Total Rent Amount/SF	\$48.45
Assumed Real Estate Tax Base <sup>[1]</sup>	\$63,782.00
Termination Notice	N/A

# Rent Schedule

## Financials

Rentable Square Feet (RSF)	18,520
Assumed Real Estate Tax Base <sup>[1]</sup>	\$63,782.00
Real Estate Tax Percentage	100%

Commencement: 5/15/2024   Expiration: 5/14/2039 - Firm Term	\$/SF	Annual	Monthly
Base Rent	\$28.97	\$536,514.00	\$44,709.50
OpEx Rent	\$19.48	\$360,780.00	\$30,065.00
<b>Total</b>	<b>\$48.45</b>	<b>\$897,294.00</b>	<b>\$74,774.50</b>

### Note

- [1] Tax base to be established after first full Year of occupancy.



# Pro Forma Cash Flow

## Financials

For the Years Ending		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Total	
		May-2025	May-2026	May-2027	May-2028	May-2029	May-2030	May-2031	May-2032	May-2033	May-2034	May-2035		
<b>Rental Revenue</b>														
U.S. Customs and Border Protection (USCBP) - Base Rent	[1]	\$28.97	536,514	536,514	536,514	536,514	536,514	536,514	536,514	536,514	536,514	536,514	5,901,654	
<b>Total Rental Revenue</b>		<b>\$28.97</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>536,514</b>	<b>5,901,654</b>	
<b>Other Tenant Revenue</b>														
U.S. Customs and Border Protection (USCBP) - OpEx Rent	[2]	\$19.48	360,780	373,407	386,477	400,003	414,003	428,493	443,491	459,013	475,078	491,706	4,741,368	
U.S. Customs and Border Protection (USCBP) - RE Tax Reimbursement	[3]	\$0.00	0	1,913	3,884	5,914	8,005	10,159	12,377	14,662	17,015	19,439	115,305	
<b>Total Other Tenant Revenue</b>		<b>\$19.48</b>	<b>360,780</b>	<b>375,321</b>	<b>390,361</b>	<b>405,918</b>	<b>422,009</b>	<b>438,652</b>	<b>455,868</b>	<b>473,675</b>	<b>492,093</b>	<b>511,145</b>	<b>4,856,673</b>	
<b>Effective Gross Revenue</b>		<b>\$48.45</b>	<b>897,294</b>	<b>911,835</b>	<b>926,875</b>	<b>942,432</b>	<b>958,523</b>	<b>975,166</b>	<b>992,382</b>	<b>1,010,189</b>	<b>1,028,607</b>	<b>1,047,659</b>	<b>10,758,327</b>	
<b>Operating Expenses</b>	[4]													
G&A		\$0.00	60	62	64	66	68	70	72	74	76	78	81	768
Supplies		\$0.15	2,700	2,781	2,864	2,950	3,039	3,130	3,224	3,321	3,420	3,523	3,629	34,581
Repairs & Maintenance		\$2.04	37,812	38,946	40,115	41,318	42,558	43,834	45,150	46,504	47,899	49,336	50,816	484,288
HVAC PM Contract		\$0.37	6,784	6,988	7,197	7,413	7,635	7,865	8,100	8,343	8,594	8,852	9,117	86,888
Exterminating Contract		\$0.05	960	989	1,018	1,049	1,080	1,113	1,146	1,181	1,216	1,253	1,290	12,295
Parking Lot Sweeping Contract		\$0.19	3,576	3,683	3,794	3,908	4,025	4,146	4,270	4,398	4,530	4,666	4,806	45,800
Janitorial Contract		\$5.89	109,111	112,385	115,756	119,229	122,806	126,490	130,285	134,193	138,219	142,366	146,636	1,397,475
Trash Removal		\$0.18	3,397	3,499	3,604	3,712	3,824	3,939	4,057	4,178	4,304	4,433	4,566	43,514
Landscaping		\$1.15	21,250	21,888	22,544	23,220	23,917	24,635	25,374	26,135	26,919	27,726	28,558	272,166
Security Fire Alarm Monitor		\$0.05	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	12,808
Utilities		\$3.43	63,602	65,510	67,476	69,500	71,585	73,732	75,944	78,223	80,569	82,986	85,476	814,604
Property Insurance		\$0.25	4,683	4,823	4,968	5,117	5,270	5,429	5,591	5,759	5,932	6,110	6,293	59,975
Property Taxes	[5]	\$3.44	63,782	65,695	67,666	69,696	71,787	73,941	76,159	78,444	80,797	83,221	85,718	816,907
AZ Sales Tax	[6]	\$1.11	20,638	20,972	21,318	21,676	22,046	22,429	22,825	23,234	23,658	24,096	24,549	247,442
Management Fee	[7]	\$1.45	26,919	27,355	27,806	28,273	28,756	29,255	29,771	30,306	30,858	31,430	32,021	322,750
<b>Total Operating Expenses</b>		<b>\$19.78</b>	<b>366,274</b>	<b>376,606</b>	<b>387,252</b>	<b>398,220</b>	<b>409,521</b>	<b>421,165</b>	<b>433,162</b>	<b>445,522</b>	<b>458,258</b>	<b>471,380</b>	<b>484,900</b>	<b>4,652,262</b>
<b>Net Operating Income</b>		<b>\$28.67</b>	<b>531,020</b>	<b>535,228</b>	<b>539,623</b>	<b>544,211</b>	<b>549,001</b>	<b>554,001</b>	<b>559,220</b>	<b>564,666</b>	<b>570,349</b>	<b>576,279</b>	<b>582,465</b>	<b>6,106,065</b>

## Notes to Cash Flow

- Analysis start date begins on June 1, 2024.
- U.S. Customs and Border Protection (USCBP) OpEx Base is \$360,780.00/annum - Subject to CPI Increases, figure illustrated above includes any projected and historical increases. Future CPI growth schedule is assumed: 3.5% Y-o-Y
- U.S. Customs and Border Protection (USCBP) has an assumed real estate tax base of \$63,782.00/annum - Landlord is reimbursed any overage above this amount or covers any shortfall on behalf of the Government.
- Operating expense source: Property 2024 Budget, 2022 and 2021 income statements - Analysis assumes 3.0% YoY growth every calendar year.
- Ad Valorem taxes estimated to be \$63,782.00 in 2024.
- AZ Sales Tax which are paid from rental income to both the city of Casa Grande and Pinal County are calculated to be 2.3% of EGR (\$20,638 - Year 1).
- Management Fee is assumed to be 3.0% effective gross revenue (EGR).



# Casa Grande, Arizona Demographics



**Phoenix Metropolitan Area  
(2020 census)**

**4.95 million+**

## Casa Grande Overview | 10 Mile Radius



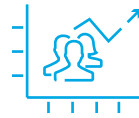
### Population

In the identified area, the current year population is 87,782. The 2010 Census population count in the area was 76,426, and 81,249 in 2020, a 0.6% annual growth rate. The rate of growth since 2020 was 2.4% annually. The five-year projection for the population in the area is 96,182 representing a change of 1.8% annually. Currently, the population is 49.2% male and 50.8% female.



### Households

The household count in this area has changed from 30,516 in 2020 to 33,232 in the current year, a change of 2.81% annually. The five-year projection of households is 36,569, a change of 1.93% annually from the current year total. Average household size is currently 2.63, compared to in the year 2020. The number of families in the current year is 23,822 in the specified area.



### Households by income (Average)

Current average household income is \$84,003 in this area, compared to \$107,008 for all U.S. households. Average household income is projected to be \$97,496 in five years, compared to \$122,048 for all U.S. households.



### Housing

Currently 74.4% of the 39,105 housing units in the area are owner occupied; 25.6% renter occupied; and 15.0% are vacant. 64.6% of the housing units in the US are owner occupied; 35.4% are renter occupied; and 10.0% are vacant. In 2010, there were 35,066 housing units in the area - 54.6% owner occupied, 24.2% renter occupied, and 21.2% vacant. The annual rate of change in housing units since 2020 is 2.3%. Median home value in the area is \$264,186, compared to a median home value of \$308,943 for the U.S. In five years, median home value in the area is projected to change to \$267,295, compared to a median home value of \$350,006 in the US.

Source: ESRI



# Pricing Details

## Price Unstated

Colliers will announce a formal Call for Offers on a date to be established.

Please contact us for more information and pricing guidance.



# Offering Instructions

396 N Camino Mercado | Casa Grande, AZ 85122

Offers should be submitted via email to:

[Geoff.Ficke@colliers.com](mailto:Geoff.Ficke@colliers.com) , [Zack.Ficke@colliers.com](mailto:Zack.Ficke@colliers.com) & [Debra.VanderWeit@colliers.com](mailto:Debra.VanderWeit@colliers.com)

Please include the following:

1. Purchase price
2. Source of debt and equity
3. Earnest money deposit
4. Due diligence and closing timelines
5. Detailed list of contingencies including investment committee, appraisal, and/or Lender approval that may be required
6. Detailed list of closing cost responsibilities

**Property Tours**

By Appointment Only

**Form of PSA**

Sellers

**Title & Escrow**

TBD

# Thank you.



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